

REPORTING

Fund Financial Statements

Fiduciary Funds Financial Statements

The following are required financial statements for fiduciary funds¹:

- Statement of fiduciary net position, and
- Statement of changes in fiduciary net position.

The fiduciary statements are to be prepared using the economic resources measurement focus and full accrual basis of accounting.²

Agency funds should be reported in the statement of net position and fund assets should equal fund liabilities. Agency funds do not have operations and should not be reported in the statement of changes in fiduciary net position.

OPEB Plans

The Governmental Accounting Standards Board (GASB) has issued [*Statement 43, Financial Reporting for Post Employment Benefit Plans Other Than Pension Plans*](#). This statement requires that local governments administering plans for other post employment benefits (OPEB) report financial information on their plan assets, liabilities, net position and changes in net position using the statement of fiduciary net position, and statement of changes in fiduciary net position.

The statement also requires specific plan disclosures in the notes to the financial statements and two schedules showing the funding status and funding progress. The plan note disclosures are discussed in Notes to Financial Statements, and the required schedules are discussed in [Required Supplementary Information \(RSI\)](#).

[GASB Statement 43](#) is applicable to OPEB plans that provide healthcare benefits regardless of whether or not they are part of a pension plan. Exceptions for OPEB reporting are life insurance, disability, and long-term care type benefits. They are considered pensions when provided through a defined benefit pension plan. Entities should review the criteria listed in [GASB Statement 43](#) to determine if they have a material OPEB plan that requires reporting.

The effective date for implementing [GASB Statement 43](#) is based on the local government implementation phase for [GASB Statement 34](#). The phase is based on revenues received in the first fiscal period ending after June 15, 1999.

Phase 1 governments – in excess of 100 million dollars – financial periods beginning after December 14, 2005.

¹ Component units that are fiduciary in nature should be presented within the fund type columns with the fiduciary funds of the primary government. A separate column for fiduciary component units should not be presented.

² There are some exceptions for liabilities of defined benefit pension plan and certain postemployment health care plans. Paragraph 26 of [Statement 25](#) and paragraph 7 of [Statement 26](#) provide guidance on recognition of these liabilities.

Phase 2 governments – between 100 million and 10 million dollars – financial periods beginning after December 15, 2006.

Phase 3 governments – less than 100 million dollars – financial periods beginning after December 15, 2007.

The reporting goal of [GASB Statement 43](#) is to assure that audited detail of each OPEB plan is available to the public. OPEB plan reporting can be accomplished using several methods, they are:

- Prepare a standalone financial report for OPEB plans.

This reporting method requires preparing a standalone financial report containing fiduciary fund statements, notes and RSI. The fiduciary statements in a standalone report require multi column presentation when multiple OPEB plans are maintained. Detail is required at the plan level in the statements, notes and RSI.

- Present the OPEB plan financial report within the administrator/employer financial report.

When an audited standalone report is not publicly available, an employer participating in an OPEB plan is responsible for reporting audited plan information. Employer reporting can be satisfied by:

1. Report the OPEB plan using the OPEB trust column of the fiduciary fund statements. When a pension trust or more than one OPEB plan exists individual plan statements are required to be presented in the notes to the financial statements.
2. Prepare note disclosure for each OPEB plan.
3. Prepare RSI for each OPEB plan.

- Report detail of OPEB plans in a CAFR.

When multiple OPEB plans are used by an employer, the details of financial reporting can be met by presentation of the plans as individual funds in the combining statements of a CAFR. The plan notes and RSI will be presented in the statement notes and in the RSI section following the notes.

Statement of Fiduciary Net Position

This statement should include information about the assets, liabilities, and net position for each fiduciary fund type³ and similar discretely presented component units of the government. Since the statement of fiduciary net position is an equivalent to the statement of plan assets required by the [GASB Statement 25](#), the government should provide a sufficient level of details to meet both requirements. If not, the government should clearly indicate where else that information is displayed.

Net position should be labeled based on the purpose for which they are held in trust, such as *Held in Trust for Pension Benefits*.

³ The major fund reporting does not apply to fiduciary funds.

Sample City
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2012
(in thousands)

	Employee Retirement Plan	Private-Purpose Trusts	Agency Funds
ASSETS			
Cash and Cash Equivalents	3	4	32
Receivables:			
Interest and Dividends	697		
Other Receivables	8		4
Total Receivables	705	4	36
Investments, at Fair Value:			
U.S. Government Obligations	12,454	85	
Municipal Bonds	7,890		
Corporate Bonds	8,254	7	
Corporate Stocks	45		
Other Investments			
Total Investments	28,643	92	
Total Assets	29,351	96	36
DEFERRED OUTFLOWS of RESOURCES			
LIABILITIES			
Accounts Payable		3	
Refunds Payable and Others	2,621		36
Total Liabilities		3	36
DEFERRED INFLOWS of RESOURCES			
NET POSITION			
Held in Trust for Pension Benefits and Other Purposes	26,730	93	

The notes to financial statements are an integral part of this statement.

Statement of Changes in Fiduciary Net Position

The statement of changes in fiduciary net position should include information about the additions to, deductions from, and net increase (or decrease) for the year in net position for each fiduciary fund type⁴ and similar discretely presented component units. It should provide information about significant year-to-year changes in net position. The government should provide additional details about investments and provide the level of details for all other fiduciary funds, or clearly indicate where that information is displayed.

The statement of changes in fiduciary net position is equivalent to the statement of changes in plan assets required by [GASB Statement 25](#).

⁴ The major fund reporting requirements do not apply to fiduciary funds.

Sample City
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended December 31, 2012
(in thousands)

	Employee Retirement Plan	Private-Purpose Trust
ADDITIONS		
Contributions:		
Employer	3,064	
Plan Members	1,532	
Total Contributions	4,596	
Investment Earnings:		
Net (Decrease) in Fair Value of Investments	(7)	
Interest	2,864	5
Dividends	1,001	
Total Investment Earnings	3,858	5
Less Investment Expense	154	
Net Investment Earnings	3,704	
Total Additions	8,300	
DEDUCTIONS		
Benefits	2,987	3
Refunds of Contributions	301	
Administrative Expenses	49	1
Total Deductions	3,337	4
CHANGE in NET POSITION	4,963	1
Net Position-Beginning of the Year	21,767	92
Net Position-End of the Year	26,730	93

The notes to financial statements are an integral part of this statement.